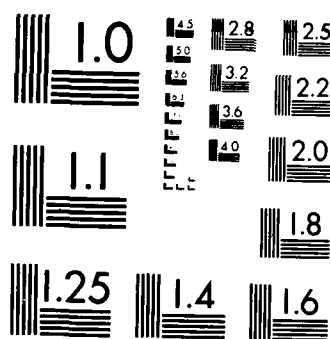


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PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS: FISCAL 1/1
YEAR 1986(U) WASHINGTON HEADQUARTERS SERVICES (DOD) DC
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DEPARTMENT OF DEFENSE

PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

October 1985 - September 1986

Fiscal Year 1986

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Department of Defense

PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

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Fiscal Year 1986

Prime contract awards to small business firms totaled \$26,914 million during Fiscal Year 1986, compared with \$26,049 million last year. Awards to all business firms were \$136,497 million during Fiscal Year 1986, compared with \$139,587 million for last year.

Changes in the procurement mix of our purchases of supplies and equipment impacted favorably on the small business ratio resulting in an increase of 1.0 percent compared to the same period last year. This increase was attributed to a higher small business rate of participation in the missiles and space, aircraft, ships, and other major hard goods categories which are not normally favorable to small business. Also contributing to this higher performance was an increase in the small business participation in the commercial items, all awards of \$25,000 or less, and civil functions categories which are normally favorable to small business.

Defense prime contract awards for Research, Development, Test, and Evaluation (RDT&E) work are included in Table I and are shown separately in Table II. Small business firms were awarded \$1,264 million in Department of Defense RDT&E prime contracts during Fiscal Year 1986 compared with \$1,188 million during Fiscal Year 1985. Of the total RDT&E prime contracts awarded to business firms, small business received 7.5 percent during this period, an increase of 0.2 percent over last year.

Data on subcontract commitments to small business firms during Fiscal Year 1986 are shown in Table III. Commitment figures are obtained from large business firms which receive prime contract awards of \$500,000 or more having subcontracting opportunities. The reporting large business firms committed a total of \$51,231 million in subcontracts during Fiscal Year 1986 of which \$19,650 million, or 38.4 percent, went to small business firms. This represents an increase of \$160 million, or 1.4 percent to small business concerns over the same period last year.

TABLE II
SMALL BUSINESS SHARE OF DEFENSE PROCUREMENT
FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION WORK
(AMOUNTS IN THOUSANDS)

TYPE OF FIRM AND DEPARTMENT	FISCAL YEAR TO DATE	
	1986 OCT 85 SEP 86	1985 OCT 84 SEP 85
TOTAL	\$16,949,772 =====	\$16,276,165 =====
ARMY	2,583,588	2,181,783
NAVY	6,300,694	5,564,581
AIR FORCE	7,058,944	7,597,738
DEFENSE LOGISTICS AGENCY	11,412	16,522
CIVIL FUNCTIONS	2,024	352
OTHER DEFENSE AGENCIES	993,110	915,189
SMALL FIRMS	1,263,937 =====	1,187,546 =====
ARMY	363,852	323,785
NAVY	303,750	282,593
AIR FORCE	403,463	400,629
DEFENSE LOGISTICS AGENCY	1,817	14,785
CIVIL FUNCTIONS	1,492	176
OTHER DEFENSE AGENCIES	189,563	165,578
OTHER FIRMS	15,685,835 =====	15,088,619 =====
ARMY	2,219,736	1,857,998
NAVY	5,996,944	5,281,988
AIR FORCE	6,655,481	7,197,109
DEFENSE LOGISTICS AGENCY	9,595	1,737
CIVIL FUNCTIONS	532	176
OTHER DEFENSE AGENCIES	803,547	749,611
SMALL FIRMS AS A PERCENT OF TOTAL	7.5 ===	7.3 ===
ARMY	14.1	14.8
NAVY	4.8	5.1
AIR FORCE	5.7	5.3
DEFENSE LOGISTICS AGENCY	15.9	89.5
CIVIL FUNCTIONS	73.7	50.0
OTHER DEFENSE AGENCIES	19.1	18.1

TABLE I
SMALL BUSINESS SHARE OF DEFENSE PROCUREMENT
(AMOUNTS IN THOUSANDS)

TYPE OF FIRM AND CATEGORY OF PROCUREMENT	FISCAL YEAR TO DATE	
	1986 OCT 85 SEP 86	1985 OCT 84 SEP 85
DEFENSE PROCUREMENT (PRIME CONTRACTS)	\$136,497,058	\$139,586,634
FROM ALL BUSINESS FIRMS - TOTAL	=====	=====
MISSILE AND SPACE SYSTEMS	19,355,707	18,667,899
AIRCRAFT	32,267,221	34,579,580
SHIPS	9,401,543	10,383,544
OTHER MAJOR HARD GOODS	31,781,832	34,482,675
SERVICES	10,274,542	8,996,733
PETROLEUM	7,106,866	6,166,966
COMMERCIAL ITEMS	7,934,587	7,701,550
CONSTRUCTION	6,508,665	6,686,946
ALL PURCHASES OF \$25,000 OR LESS	10,277,742	10,296,606
CIVIL FUNCTIONS	1,588,353	1,624,135
DEFENSE PROCUREMENT (PRIME CONTRACTS)	\$26,914,262	\$26,048,769
FROM SMALL BUSINESS FIRMS - TOTAL	=====	=====
MISSILE AND SPACE SYSTEMS	645,708	453,777
AIRCRAFT	1,354,528	1,181,395
SHIPS	1,495,705	1,287,228
OTHER MAJOR HARD GOODS	3,980,018	3,866,305
SERVICES	2,805,774	2,510,463
PETROLEUM	1,797,068	1,604,380
COMMERCIAL ITEMS	3,858,649	3,578,893
CONSTRUCTION	4,486,200	5,184,927
ALL PURCHASES OF \$25,000 OR LESS	5,566,208	5,497,998
CIVIL FUNCTIONS	924,404	883,403
PERCENTAGE OF DEFENSE PRIME CONTRACTS	19.7	18.7
TO SMALL BUSINESS FIRMS - TOTAL	=====	=====
MISSILE AND SPACE SYSTEMS	3.3	2.4
AIRCRAFT	4.2	3.4
SHIPS	15.9	12.4
OTHER MAJOR HARD GOODS	12.5	11.2
SERVICES	27.3	27.9
PETROLEUM	25.3	26.0
COMMERCIAL ITEMS	48.6	46.5
CONSTRUCTION	68.9	77.5
ALL PURCHASES OF \$25,000 OR LESS	54.2	53.4
CIVIL FUNCTIONS	58.2	54.4

TABLE III
SMALL BUSINESS SHARE OF DEFENSE SUBCONTRACTS
FISCAL YEAR 1986

(Amounts in Thousands)

SUBCONTRACTS	FISCAL YEAR 1986 OCT 85 - SEPT 86	FISCAL YEAR 1985 OCT 84 - SEPT 85
Number of Reports from Large Business Firms	1,240	1,110
Subcontract Commitments by Reporting Large Business Firms	\$ 51,231,234	\$ 52,740,994
Commitments to Small Business	\$ 19,649,670	\$ 19,490,122
Percent to Small Business	38.4	37.0

SOURCE: Companies Participating in the DoD Subcontracting Program Fiscal Year 1986

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